

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF TENNESSEE

UNITED STATES OF AMERICA)
)
)
v.) No.: 3:15-CR-149-TAV-CCS
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MAURECE DAMONE McDOWELL)

FINAL ORDER OF FORFEITURE

On November 3, 2015 an Indictment was filed charging the defendant, MAURECE DAMONE McDOWELL, in Count One with conducting, financing, managing, supervising, directing and owning an illegal gambling operation in violation of Title 18, United States Code, Sections 1955 and 2, and in Count Two with conspiracy to commit money laundering in violation of Title 18, United States Code, Section 1956(h).

In the forfeiture allegations of the Indictment in the above-styled case, the United States sought forfeiture of the interest of the defendant, MAURECE DAMONE McDOWELL, pursuant to Title 18, United States Code, Sections 1955(d) and Title 28, United States Code, Section 2461(c), in any property, including money, used in the offense in violation of Title 18, United States Code, Section 1955(a), and pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461(c), in any property, real or personal, which constitutes or is derived from proceeds traceable to the commission of the offense.

The United States also alleged forfeiture pursuant to Title 18, United States Code, Section 982(a)(1), in any property real or personal, involved in the offense of Title 18, United States Code, Section 1956(h), and any property traceable to such property.

On December 16, 2015, a Plea Agreement (Doc. 14) was filed wherein the defendant, MAURECE DAMONE McDOWELL, pled guilty to the offenses charged in the Indictment and agreed to the forfeiture of the properties set forth in the Indictment.

Certain properties listed for forfeiture in the Indictment (Doc. 3) filed on November 3, 2015 were administratively forfeited by the United States Department of Treasury, Internal Revenue Service. Notices of Administrative Forfeiture were filed on January 22, 2016 (Doc. 18) and April 22, 2016 (Doc. 26). Therefore, the United States no longer seeks criminal judicial forfeiture of these properties.

Additionally, the United States decided not to pursue forfeiture of the 2004 BMW, dark gray in color, VIN: WBAGN63454DS49875; Tag# 162-SQR, registered to Palace Package Store, Inc., 3210 Rudy St., Knoxville, TN 37921. A Motion to Dismiss (Doc. 25) was filed with this Court on April 22, 2016. An Order (Doc. 27) dismissing the vehicle from the Indictment was filed on April 26, 2016.

On March 29, 2016, a Bill of Particulars for Forfeiture of Property (Doc. 22) was filed to include additional properties available for forfeiture.

On June 15, 2016 this Court entered an Agreed Preliminary Order of Forfeiture (Doc. 36), wherein the defendant agreed to forfeit his interest in the properties as set forth in the Order.

The 14kt gold diamond solitaire ring seized on June 8, 2015 at 3204 Rudy Street, Knoxville, Tennessee, 37921 as listed in the Bill of Particulars (Doc. 22) and the Agreed Preliminary Order of Forfeiture (Doc. 36) was returned to Arlease F. McDowell on June 9, 2016. The United States will not be seeking criminal judicial forfeiture of this property.

On June 17, 2016 the United States filed a Motion for Dismissal of Forfeiture Allegations as to Real Property at 2553 Moss Creek Road, Knoxville, Tennessee (Doc. 39) as listed in the

Indictment. An Order dismissing the forfeiture of this property was entered on June 21, 2016 (Doc. 41).

Pursuant to 21 U.S.C. § 853, as incorporated by 18 U.S.C. § 982(b)(1), and the Agreed Preliminary Order of Forfeiture, notice of forfeiture as to the properties described above was published on an official Government internet site (www.forfeiture.gov) for at least 30 consecutive days, beginning on July 13, 2016 and ending on August 11, 2016. The Notice of Forfeiture advised that any person, other than the defendant, having or claiming a legal interest in the properties, were required to file a petition with the Court within sixty (60) days of the first date of publication of this Notice on the official Government internet web site, pursuant to Rule 32.2 of the Federal Rules of Criminal Procedure, and 21 U.S.C. § 853(n)(2). The notice further provided that the petition was to be filed with the Clerk of the Court. It further required that the petition was to be signed by the petitioner under penalty of perjury, and set forth the nature and extent of the petitioner's right, title or interest in the property and any additional facts supporting the petitioner's claim and the relief sought. A Declaration of Publication (Doc. 52) was filed with the Clerk of this Court on August 25, 2016. Further, all known potential claimants in the referenced case were served with written notice of the forfeiture.

On February 16, 2016, Knoxville TVA Employees' Credit Union ("TVA") filed a Petition for Hearing in the related case styled *U.S. v. George Marcus Hall*, Docket No. 3:15-CR-154 to adjudicate the validity of its interest in the 2014 Porsche Panamera. The property is also subject to forfeiture in the above-referenced case. A Consent Order was entered by this Court on June 7, 2016, wherein it was agreed that the lien of TVA would be paid from the proceeds of the sale of the property.

On February 16, 2016, Knoxville Area Urban League (“KAUL”) filed a Petition to Request a Hearing in Response to Notice of Forfeiture in the related case styled *U.S. v. George Marcus Hall*, Docket No. 3:15-CR-154 regarding U.S. Currency in the amount of \$102,024.11 seized from BB&T Account No. XXX6280 in the name of George Marcus Hall. The property is also subject to forfeiture in the above-referenced case. On June 7, 2016 a Consent Order was entered by this Court wherein it was agreed that KAUL lacked a secured interest in the bank account and agreed to withdraw its claim as to the bank account.

On February 19, 2016 Peoples Bank of the South (Peoples Bank) filed a Petition to Establish Legal Interest in Forfeited Properties in the related case styled *U.S. v. George Marcus Hall*, Docket No. 3:15-CR-154 regarding certain real properties listed in the Agreed Preliminary Order of Forfeiture. Two of the properties listed in the Petition were also subject to forfeiture in the above-referenced case. A Consent Order was entered by this Court on June 7, 2016 wherein it was agreed that Peoples Bank had perfected security interests in the subject real properties, and agreed that the properties would be sold by the United States Department of Treasury, Internal Revenue Service and that the net proceeds from the sale, after payment in full of lienholders, including Peoples Bank, will be forfeited to the United States.

On February 25, 2016 a Petition for Remission of Forfeiture Action and Return of Property was filed by Phillip D. Dean in the related case styled *U.S. v. George Marcus Hall*, Docket No. 3:15-CR-154 regarding the 2009 Chrysler 300 which was registered to Phillip D. And Mary H. Dean. The property is also subject to forfeiture in the above-referenced case. A Consent Order was entered by this Court on June 7, 2016, wherein it was agreed that upon receipt of \$1,000.00 from Phillip Dean, which represents a portion of the storage and maintenance fees of the vehicle, the vehicle would be returned to Phillip Dean.

On April 11, 2015, Knox County filed an objection to the forfeiture in the related case styled *U.S. v. George Marcus Hall*, Docket No. 3:15-CR-154 complaining of insufficient notice and then filed a late-filed claim as to the parcels of real property in Knox County, on May 11, 2016. (*Hall*, Docket No. 3:15-CR-154, Doc. 47, Objection; Doc. 79, Claim.) Certain properties included in Knox County's objection and claim are also subject to forfeiture in the above-referenced case. In its claim Knox County sought to preserve interest in taxes assessed after a final order of forfeiture. (*Hall*, Docket No. 3:15-CR-154, Doc. 79, Claim.) The district Court overruled Knox County's objections and denied Knox County's claim. (*Hall*, Docket No. 3:15-CR-154, Doc. 119, Memorandum Opinion and Order, pg. 25-27).

On August 8, 2016, Claimants Joseph H.A. Lee and Maria L. Lee filed a Seized Asset Claim Form (Doc. 50) regarding the real properties located at 309 Tillery Drive, Knoxville, Tennessee; 1220 Cassell Drive, Knoxville, Tennessee; and 246 Hummingbird Drive, Vonore, Tennessee. The United States will not be seeking a forfeiture order regarding the real properties at this time, pending litigation of the Claimants' interest in the properties. The United States is opposing the claim as Claimants' have no cognizable legal interest in the properties.

The money judgment in the amount of \$5,000,000 as listed in the Agreed Preliminary Order of Forfeiture was forfeited by Order of Forfeiture (Doc. 47) entered by this Court on July 12, 2016.

It is therefore, **ORDERED, ADJUDGED, and DECREED:**

1. That the following properties are hereby forfeited to the United States pursuant to 18 U.S.C. §§ 1955(d), 981(a)(1)(C), 982(a)(1) and 28 U.S.C. § 2461(c) and Rule 32.2(b) of the Federal Rules of Criminal Procedure and all right, title and interest in the properties are hereby vested in the United States:

a. Bank Accounts and Currency

U.S. Currency in the amount of \$55,498.50 seized from People's Bank of the South, account number xxx619 in the name of Palace Package Store, Inc. and Clarence McDowell;

U.S. Currency in the amount of \$102,024.11, seized from BB&T account number xxx6280, in the name of George Marcus Hall;

U.S. Currency in the amount of \$109,854.42 seized from People's Bank of the South CD, account number xxx4639 in the name of Clarence and Maurece McDowell;

U.S. Currency in the amount of \$32,035.92 seized from TVA Employee Credit Union account number xxx7348-80 in the name of George Marcus Hall;

U.S. currency in the amount of \$61,616.87 seized at 3212 Rudy Street, Knoxville, Tennessee, 37921; and¹

Proceeds in the amount of \$285,996.03 for the real property located at 3204, 3208 and 3212 Rudy Street, Knoxville, Tennessee 37921, belonging to Palace Package Store, Inc. and Triple M Property Management, LLC.

b. Vehicles

Proceeds in the amount of \$1,000.00 received from Phillip D. Dean in lieu of forfeiture of 2009 Chrysler 300, red in color, VIN: 2C3KA33V99H601239, Tag# 150-VHB, registered to Phillip D. and Mary H. Dean, 840 Cunningham St., Alcoa, TN 37701-1504;

Sales proceeds in the amount of \$7,100.00 for the 2009 Ford F150 Pickup Truck, white in color, VIN: 1FTRF12WX9KC36038, Tag# M63-88C, registered to George M. Hall, 2801 Maple Hollow, Lane, Knoxville, TN 37931-4141; and²

¹ The United States has determined that \$1,900.00 of these funds was the result of a check cashed in error. Accordingly, the United States Treasury, Internal Revenue Service will return those funds to account holder, Dale Cogdill.

² This property sold at public auction for the amount of \$7,100.00 pursuant to an Order for Interlocutory Sale entered by this Court on December 11, 2015 (Doc. 13).

Sales proceeds in the amount of \$51,300.00 for the 2014 Porsche Panamera, black in color, VIN# WP0AA2A76EL006142, Tag# 981-ZFF, registered to George M. Hall, 700 E. Depot Ave, Knoxville, TN 37917-7611.³

c. Jewelry

Waterfall ring with 19 diamonds seized on June 8, 2015 at 2801 Maple Hollow Lane, Knoxville, Tennessee 37931;

14kt white gold bracelet with diamonds (Tag - \$21,000) seized on June 8, 2015 at 2801 Maple Hollow Lane, Knoxville, Tennessee 37931;

Gents Rolex 2003, Serial #F866576 seized on June 8, 2015 at 3204 Rudy Street, Knoxville, Tennessee, 37921;

14kt yellow gold approximately 2.00 ct diamond ring seized on June 8, 2015 at 3204 Rudy Street, Knoxville, Tennessee, 37921;

9.5 mm 8" 14 kt yellow gold heavy curb chain bracelet 33.57 DWT seized on June 8, 2015 at 3204 Rudy Street, Knoxville, Tennessee, 37921; and

Jewelry stolen during home burglary at 2801 Maple Hollow Lane, Knoxville, Tennessee 37931, which includes, but is not limited to the following properties:

- i) a U-Boat watch;
- ii) a Bulgari watch;
- iii) a Baume and Mercier watch;
- iv) a Philip Stein watch;
- v) a Tokyo Bay watch; and
- vi) a Lockman watch

d. Real Property

Real property located in the Eighth Civil District of Knox County, Tennessee at 0 Jones Road, Knoxville, Tennessee 37918, belonging to Maurece McDowell. For further reference see Warranty Deed recorded on October 15, 2001 as Instrument Number 200110150029274 in the Register of Deeds for Knox County, Tennessee.

³ This property sold at public auction for the amount of \$51,000.00 pursuant to an Order for Interlocutory Sale entered by this Court on December 11, 2015 (Doc. 13).

2. That the United States Department of Treasury, Internal Revenue Service, or its designated agency shall dispose of the forfeited properties according to law.
3. That the Court shall retain jurisdiction to enforce this Order, and to amend it as necessary, pursuant to the Rule 32.2(e) of the Federal Rules of Criminal Procedure.
4. That the Clerk of this Court shall provide a certified copy of this Order to the United States Attorney's Office.

ENTER:

s/ Thomas A. Varlan
CHIEF UNITED STATES DISTRICT JUDGE

Submitted by:

NANCY STALLARD HARR
United States Attorney

By: s/Anne-Marie Svolto
JENNIFER KOLMAN
ANNE-MARIE SVOLTO
Assistant United States Attorneys